

Seminar *Workshop on Pathways to a Cooperative Market Economy*, University of Barcelona, March 26-7, 2015.

Reflections by Rodolfo Elbert.

In my opinion, the seminar on pathways to a cooperative market economy was very productive. There was a fruitful exchange between researchers who described in detail different alternatives in which we can move to a non-capitalist economic system. The framework of the discussion was the Real Utopias project developed by Erik Olin Wright, in which the social and democratic powers rule over the state and the economy. The destination society is pretty clear and we all agree that some form of socialism would have to replace the existing capitalist system if we want the present harms of society to be overcome.

However, I think it was not clear from the discussion how the cooperative market economy would improve our possibilities of achieving a socialist society. I think we bracketed the concept in order to discuss particular pathways and that was a wise decision, so we could get into the details of each institutional design. In future meetings, I think it will be important to include a debate about the conceptual demarcation of the cooperative market economy and the ways in which this proposal would be part of the pathway to a society that is organized around a non-capitalist logic. In particular, it is important to discuss the potential problems in the coexistence of the market and the cooperative characteristics of this economy. We can understand the market as a set of institutional mechanisms that allow the coordination of production and distribution in a complex economy. But really existing markets also include powerful actors that would actively impede the growth of the cooperative component of this economy. In future discussions I would like to think about this contradiction in the notion of CMM.

Regarding the discussion of the particular pathways, my reflections will be centered on the example of the *Fabricas Recuperadas* in Argentina, which is the one that I know better. Based on the discussion I think that there are some interesting discussion points based on the ER experience that I will enumerate below.

1) The most important is probably the relevance of workers' self-management of enterprises in the successful examples of democratically run companies. In these cases, workers conduct regular assemblies to discuss managerial and political issues and they elect representatives that would go back to the line of production after a period in the leadership committees. There are medium and large recuperadas which are currently democratically self-managed and could survive and grow economically.

2) A second feature of the recuperadas is the importance of their relationship to the community and the labor movement. We discussed the example of Zanon, whose workers had a strong policy of active involvement in the community, developing a relationship of solidarity with the Mapuche communities of the surroundings, the unemployed workers' movement and neighborhood organizations. Erik suggested that we should distinguish between the instrumental use of these relationships and the genuine solidarity. In the case of Zanon, there is a genuine solidarity, based on workers' collective deliberation. Workers replaced the notion that their self interest was the successful economic performance of the company with an expansive notion of working class interest that included the community. It is important to note that in a Latin American context, these communities face serious problems of unemployment, informal work, among others. This genuine decision generated solidarity of the community when the police attempted to violently expel workers from the factory. Erik also suggested that we should develop a dataset of case studies in order to analyze whether or not those ER that developed this type of solidarity were more successful in surviving and growing economically. The mechanism for this would be that the ER needs legal certainty and community support would strengthen workers' case in the local parliaments.

3) This also raises the question of the different levels of the state involved. In Argentina, there was

no national legislation in favor of the ER movement, so each group of workers had to propose and defend a law for their particular case. This parliamentary debates were conducted at the state level and involved many community organizations, unions and political groups supporting the proposals. This speaks to the presentation of Anne Reynolds about the role of the state in the cooperative economy. In the case of Argentina, the relationship with the state included police repression of workers, state subsidies for some firms and also legislative debate about the legal situation of the firms. The Argentine state encouraged the legal form of the cooperative as a solution to the legal uncertainty of the firms. An alternative solution that was part of the debate was that of “state ownership under workers’ self-management”. This proposal was raised by the more radical tendencies of the movement during the economic crisis. It would involve state expropriation of the companies and the priority of Recuperadas as suppliers of goods and services to the state.

4) Another important discussion point was that of the relationship between unions and the CMM. In the case of Argentina, the support of unions explains the success of some of the Recuperadas. In some cases, the workers of the Recuperadas decided to fight for the control of the bureaucratic union of their economic branch. As suggested by Laura Hanson, I think it would be great to compare the role of unions in Argentina and the US in order to understand the role of workers’ institutional power on the new grassroots developments such as workers’ coops or recuperadas. In my opinion this speaks to a general theoretical issue about the role of the labor movement in the CMM. The Real Utopias project suggests that the future socialist organization of the economy should be based on the empowerment of civil society over the state and the economy. Since unions are the oldest and most powerful civil society institution of the working class, I think it is crucial to understand their role in the emergence of the CMM and the counterbalance of capitalist institutions.

5) We centered on the debate about the destination of these pathways. I think that it is important to describe the CMM as an anti-capitalist strategy. In particular, in the case of the recuperadas, they are not only co-existing with capitalism but also showing workers in other companies that it is possible to run firms on their own. In addition, the Recuperadas were born as an anti-capitalist strategy because workers had to occupy and expel the capitalist owner from the shop floor. This is the common starting point of all recuperadas: workers’ decision to take in their hands the process of production. This collective decision is anti-capitalist because it leads workers to confront with the capitalist owner of the company and in many cases also with the state. Once workers take control, they develop a non-capitalist pathway of organizing production, but it had to be anti-capitalist first.

6) Another important aspect of destinations is the difference between developed economies and the global south. As both Michelle Williams and Mariela Diaz pointed out, the attempts to build a cooperative economy face different challenges in the underdeveloped economies of the south. In the example of Bolivia, 90 percent of the industries are micro enterprises organized around families which do not work with a capitalist logic of production. However, in these cases, the coops are subordinated to the logic of multinational capital because large multinationals are the only buyers of the products. This way the multinationals can lower the costs of production and do not pay for social security of workers. This non-capitalist logic of production is transformed into the basis of the growth in profits for the multinationals.